

APM 2

Investments in Primary Care

JULY 2021



COLORADO
Department of Health Care
Policy & Financing

Value-Based Payments for Primary Care and Chronic Care Management

Model Design

This model is designed to enhance to **improve member outcomes** and **reduce health disparities** by creating stable investments in primary care. This model was designed with input from **Medicaid members, advocates, and providers**.

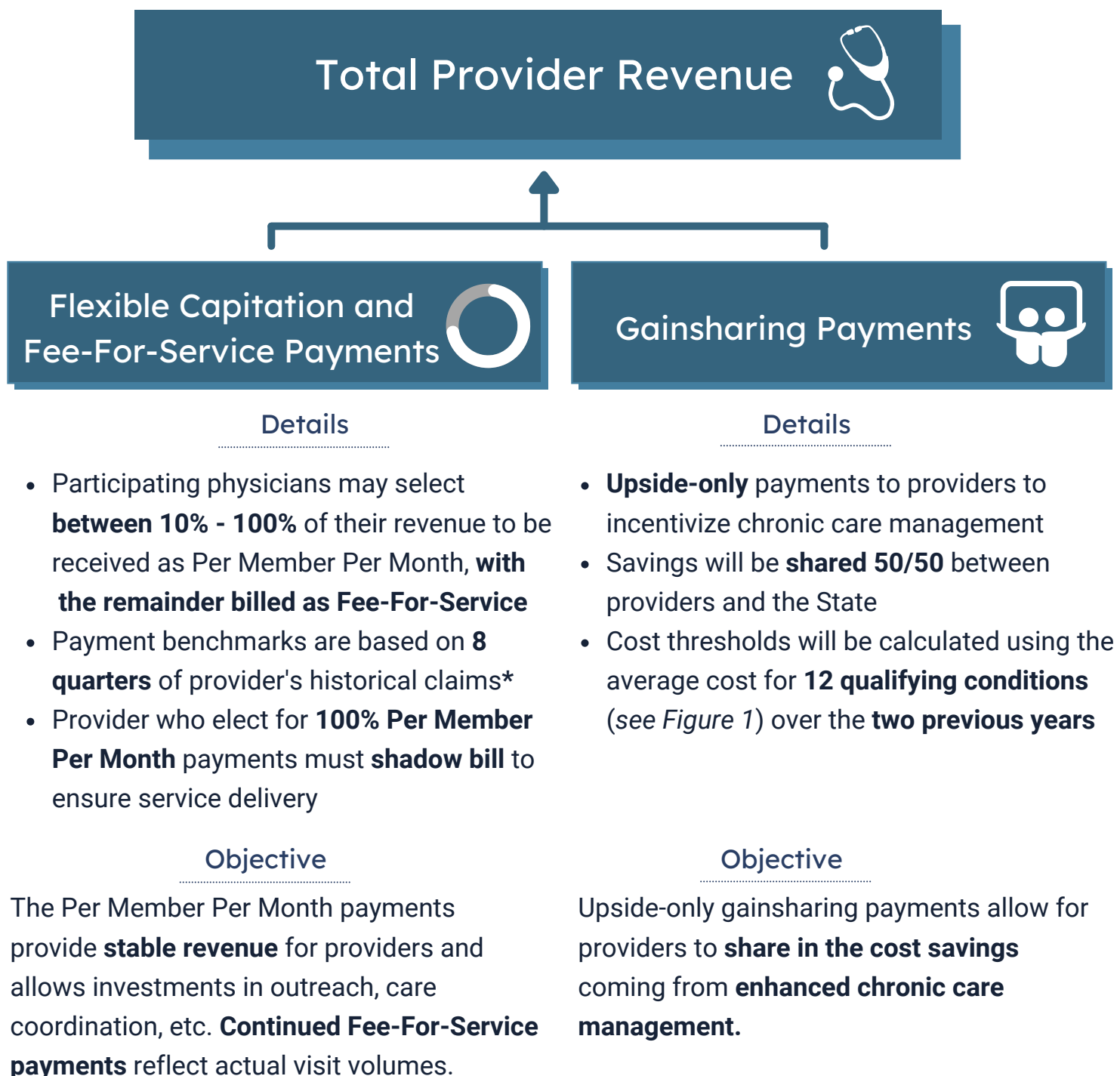


Figure 1: List of Qualifying Conditions

Qualifying Chronic Conditions

These conditions were determined to be **major cost drivers** for the State while being amenable to care management. Patients must have **one or more** qualifying conditions to be evaluated under the gainsharing arrangement.

- Asthma
- Coronary Artery Disease
- Hypertension
- Gastro-Esophageal Reflux Disease
- Chronic Obstructive Pulmonary Disease
- Ulcerative Colitis
- Low Back Pain
- Osteoarthritis
- Diabetes
- Trauma & Stressors Disorders
- Heart Failure
- Arrhythmia / Heart Block / Condn Dis

Attribution Methodology

All full-benefit Medicaid eligible beneficiaries who are enrolled in the Accountable Care Collaborative and are attributed to a Participating Primary Care Medical Provider (PCMP)*, **except the following**:

- Beneficiaries who are geographically attributed to a participating provider
- Beneficiaries who are dually enrolled in Medicare or;
- Beneficiaries enrolled in the Program for All-Inclusive Care for the Elderly (PACE)

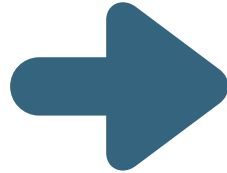
Every month, the Department will generate non-Federally Qualified Health Center PCMP attribution to be made available to the participating PCMPs. Per Member Per Month payments to the participating providers will change based on the number of attributed members each month.



Reconciliation Methodology

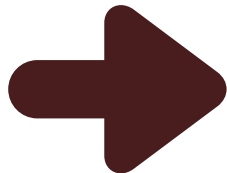
To ensure that quality care is maintained and taxpayer funds are effectively spent, the Department will evaluate quality metrics for each Participating PCMP. If a participating provider:

meets the
quality
threshold



The participating PCMP will get to **keep any overfunding** stemming from the PMPM in order to incentivize primary care engagement **and** the PCMP will also **be eligible** for gainsharing payments

does not meet
the quality
threshold

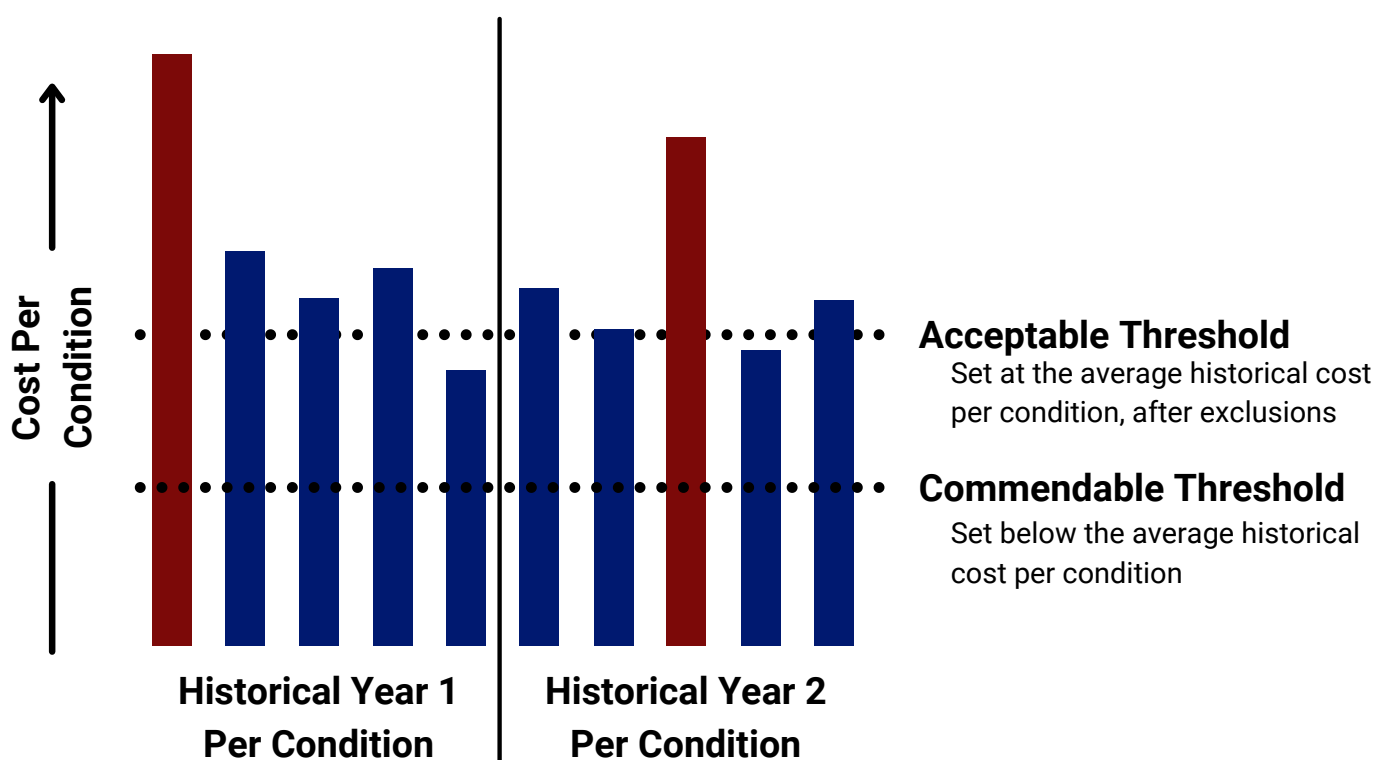


The participating PCMP **will not be eligible for gainsharing payments**, Not be eligible to receive the **enhanced Fee-For-Service rate** under APM 1, and the Department will need to review the provider's claims

Note: Data used for reconciliation will be actual member attribution data and claims data for services within the modified APM code set for attributed members for the program year being reconciled.

Gainsharing Threshold Methodology

Thresholds are the prospective targets for both positive and negative incentives. The Department's actuary will calculate a PCMP's threshold by using two years worth of claims to determine historical episode performance. Each year the Department will add the next fiscal year data and will calculate the thresholds based on the previous two years of data. High-cost outliers above the 95th percentile will be removed from the threshold calculations.



The Acceptable Threshold is set at the average historical cost per episode with a trend applied by the actuary after all calculation exclusions.

The Commendable Threshold is set below the historical average cost per episode and has a minimum savings rate built into it. The Department included a minimum savings rate to ensure PCMPs are performing clinical interventions to reduce the condition cost of care rather than earning savings based purely on chance.

Frequently Asked Questions

As a physician, how would I enroll?

A physician who voluntarily elects to participate will receive a Notification Letter from the Department of Health Care Policy and Financing that states the specific qualifications for that provider's participation. The Notification Letter containing:

- **Discount Percentage** - The percentage reduction in reimbursement to the Health First Colorado fee schedule that is proposed by the Participating PCMP for each of its Participating Providers
- **Gainsharing Threshold** - estimated costs of delivering chronic care management, calculated using historical data
- **Partial PMPM Fee** - a fixed payment to physicians based on historical data from their qualifying patients
- **Reduced Fee Schedule Percentage** - physician selected reduction that is converted to PMPM payments.
- **Quality Threshold targets** - The quality score that must be achieved that allows the Participating PCMP to earn Gainsharing payments. This value is based on historical claims data

To continue, the provider must inform the Department that they accept the these elements from the letter.

Is this program mandatory for all PCMPs?

This program is **completely voluntary** for all providers. The program has been designed to provide providers with stable reliable payments for their practices.



Are all PCMPs eligible to participate?

All PCMPs who currently qualify for participation under the Accountable Care Collaborative* program will also qualify here; This includes meeting an APM volume threshold of \$30,000 or more per year in payments for procedures in the APM Code Set.

Additionally, providers must meet (and continue to meet) the quality thresholds as laid out in their Notification Letter (see *Reconciliation Methodology* above). These measures are designed to ensure that patients continue to receive effective and necessary care.

How was this program developed?

The Department created this program using an inclusive three-step process to develop a consensus model:

